Texas Department of Insurance
Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645
512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

ALLEN ORTHOTICS & PROSTHETICS
2502 WEST OHIO
MIDLAND TX 79701

Respondent Name

Texas Mutual Insurance Company

Carrier's Austin Representative

Box Number 54

MFDR Tracking Number

M4-10-2891-01

MFDR Date Received

February 22, 2010

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Back in November 11, 2009 we provided 12 units of labor to [injured employee]. We submitted the claim to Texas Mutual Insurance for total charged amount of $436.56. On December 30, 2009 we received a payment on this claim for the amount of $188.60. On January 11, 2009 I called the adjuster, Jimmy Johnson and asked him to explain how they arrived at the figure of $188.60. He said he didn't know but he would have the auditor call me with the information. I then received a phone call from Sylvia (Medical Bill Auditor) and she said that they paid $18.49 per unit based on the direction of the Utilization Review Department. I explained to her that the amount paid was below Workers' Compensation Medical Fee Guidelines. She suggested that we submit a request for reconsideration stating that the amount paid was not correct. I then faxed in the required documentation (copy of claim, a copy of EOB, Medicare published fee for L7520 and TAC 28, Part 2 rule 134.202 print out and Appeal Letter)."

Amount in Dispute: $ 157.43

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The requestor supplied prosthetic repair services on 11/11/09 then billed this with HCPCS code L7520 at $436.56. Because of a FOCUS/AETNA PPO contract with the requestor the reimbursement was reduced to $188.60 consistent with the terms of the contract. For this reason Texas Mutual believes no further payment is due."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 11, 2009	L7520	$157.43	$157.43

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.203 sets out the fee guidelines for professional medical services.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:

   Explanation of benefits
   - 217 – Based on payer reasonable and customary fees. No maximum allowable defined by legislated fee arrangement.
   - 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement
   - 426 – Reimbursed to fair and reasonable
   - 793 – Reduction due to PPO contract. PPO contract was applied by Focus/Aetna Workers Comp Access LLC

Issues

1. Was the workers' compensation insurance carrier entitled to pay the health care provider at a contracted rate?
2. Did the requestor document the billing of HCPCS Code L7520?
3. Is the requestor entitled to reimbursement?

Findings

1. The insurance carrier reduced disputed services with reason codes "45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement" and "793 – Reduction due to PPO contract. PPO contract was applied by Focus/Aetna Workers Comp Access LLC." Review of the submitted information found insufficient documentation to support that the disputed services were subject to a contractual fee arrangement between the parties to this dispute. Nevertheless, on October 4, 2010 the Division requested the respondent to provide a copy of the referenced contract as well as a documentation to support notification to the healthcare provider, as required by 28 Texas Administrative Code §133.4, that the insurance carrier had been given access to the contracted fee arrangement. Review of the submitted information finds that the documentation does not support notification to the healthcare provider in the time and manner required. The Division concludes that pursuant to §133.4(g), the insurance carrier is not entitled to pay the health care provider at a contracted fee. Consequently, per §133.4(h), the disputed services will be reviewed for payment pursuant to the applicable Division rules and fee guidelines.
2. Per 28 Texas Administrative Code §134.203 "(b) For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

   The requestor seeks reimbursement for DME repair, HCPCS code L7520 defined as "Repair prosthetic device, labor component, per 15 minutes." The requestor documents on the CMS-1500 12 units of L7520. The disputed charge will therefore be reviewed pursuant to 28 Texas Administrative Code §134.203.
3. Per 28 Texas Administrative Code §134.203 (d) The MAR for Healthcare Common Procedure Coding System (HCPCS) Level II codes A, E, J, K, and L shall be determined as follows: (1) 125 percent of the fee listed for the code in the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule; (2) if the code has no published Medicare rate, 125 percent of the published Texas Medicaid fee schedule, durable medical equipment (DME)/medical supplies, for HCPCS; or (3) if neither paragraph (1) nor (2) of this subsection apply, then as calculated according to subsection (f) of this section."

   Review of the CGS Medicare website (http://www.cgsmedicare.com/jc/index.html) to determine DMEPOS payment for L7520 documents that MPFS reimbursement rate for HCPCS code L7520 at $27.14 x 12 units equals an amount of $325.68 x 125% equals a MAR reimbursement of $407.10. The requestor seeks reimbursement in the amount of $ 157.43. The insurance carrier issued payment in the amount of $188.60; therefore the requestor is entitled to an additional reimbursement in the amount of $157.43.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $157.43.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $157.43 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

		October 17, 2013
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.